

Material Used by DCI
25 June 53

Egypt-Libya
East Germany-Czechoslovakia
France

NSC for 6/25-10 AM

1 - DC Briefing

2 - Set Korea - Chun, JCS

3 - US Obj + C/A re Japan - NSC 125/2+5

4 - Jap In Do

5 - US Pol + C/A re S. Vietnam - CD Jackson

6 - US Actions re N. Vietnam

7 - Strengthening Korea

8 - Status of Projects -

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SECURITY INFORMATION

- II.A. 3. In general, East German forces were used to quell disorder, backed, where necessary by Soviet troops.
- a. East German police (VOPOS) proved both inadequate and unreliable.
 - b. Both Soviets and Germans used firearms, but former did not direct fire into crowds.
 - c. Actual policing done by Germans, with Soviets in reserve. German paramilitary forces (KVP, total strength about 120,000) called out when VOPOS failed to restore order.
4. Unreliability of VOPOS indicated by fact that over 100 defected to West Berlin during

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SECURITY INFORMATION

two-day rioting period 16-17

June.

a. No reports of defections
from KVP.

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SECURITY INFORMATION

IV.A. 1.

- a. Workers Militia and Border Guards used to quell rioting in Czechoslovakia; Army not used, doubtless because not needed.
- b. Army (190,000 ground forces) has low morale, particularly among enlisted men. Considered only fairly reliable.
 1. However, desertion rate has decreased in last two years.
 2. Employment of Czech Army would demand maximum supervision by Soviets.
- c. Militia and Border Guards

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SECURITY INFORMATION

(Total security forces
30,000) - considered
thoroughly reliable.

1. No significant defec-
tions from these groups.

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(1)

EGYPT

More trouble may be brewing
in Egypt.

(A) Naguib's assumption of
Presidency is reported to have
followed 10 days of a bitter
struggle between Naguib on the
one hand and Nasr and the young
officers on the other; the latter
threatening to strip Naguib of
his powers. Naguib was originally
put in to power by the young officer
clique who needed as a front a


(2)

senior officer with a reputation.

He was supposed to operate as
a figure head but balked at this.

The young officers have now
partially succeeded by shoving
him up to his high position.

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 that the
status quo may be maintained for
a prolonged period is probably
unjustified. The Prime Ministers
of India and Pakistan failed in
their efforts to bring about the
reopening of negotiations.

(3)

Churchill remains completely
adamant and very difficult.

Nasr and the officer clique
will be more difficult in the canal
negotiations than Naguib. The
situation may be held in status
quo until conclusion Bermuda
conference but after that watch
out for trouble.

A tough Egyptian policy
will automatically be reflected by
more Egyptian maneuvers in Libya.

(4)

The Libyan King's conflict with
his Prime Minister, Muntasser,
(who ^{has} ^{again} left for England) has
seriously weakened the government
and opened the way to foreign
intrigue, particular by Egypt.

That country is seeking a
preeminent position in Libya by

(a) Extending its influence
over the King and his advisers;

(b) by financing terrorist
cells to agitate against Libyan

(5)

approval of air Western bases
(USA and Britain), and generally
trying to draw Libya away from
the West. Libya has now joined
Arab League and its foreign
policies are being dictated in
part by League influence which
is anti-Western.

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Security Information

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EAST GERMANY

FACTS:

1) Beside East Berlin,

outbreaks in at least 15 other

points in East Germany. *Workers*
reportedly took over MAGDEBURG for 4 hours

2) Order restored only *on 17 June*
until Soviets
moved in

by Soviet troops, local German

police generally not depended

upon to fire upon local population

though in several cases they did. --

East German Army *out of picture.*
^ - 20,000

Soviet troops in East Berlin.

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Security Information

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3) Spirit of resistance

not broken - cable received this
morning based on personal
interview over hundred workers
who came over into West zone showed
that almost without exception
they returning to their places
of employment to continued
resistance. This sharp contrast
to past when workers came over
to West zone trembling with fear
and determined to live underground.

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4) Selective punishment

only. No mass execution and
amnesty promised workers who
return to jobs. Soviet air force
grounded during riots but
alerted for action.

5) Conclusions:

a) Evidence of total
failure of Soviet to communize
East zone.

b) East German
government discredited and will
probably be changed (replaced by
"bourgeois" government, possibly under

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KASTNER)
(LBP)

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Security Information

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c) Outcome of

uprisings leaves situation ripe for
more.

d) Soviet caught on

"*need*" to
dilemma between ~~death~~ show iron
hand and its general conciliation
policy. Will probably try latter
with spot executions as "examples".

e) West has opportunity

for initiative on united Germany—
free election issue, since for
Soviet ~~had been~~ free elections

~~issue~~ would be deemed giving in

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Berlin rioters, (Gerd Starke)

POSSIBILITY OF FRENCH COUP

Protracted Cabinet crisis has introduced new political tension in France, particularly with Bermuda Conference approaching. Increasing recognition that this is no ordinary crisis, growing embarrassment and anxiety over governmental paralysis

Leads to possibility of radical solution

- Auriol has said in last resort he will step down from Presidency and form a government
- Rumores more numerous of a coup d'etat
 - By DeGaulle and RPF - reports in May that they are considering coup this fall with aid of French industrialists. DeGaulle trip to North Africa in allegedly to sound out support in Army and overseas leaders
- By Juin and the Army - report of 23 June that Herriot and Auriol both very worried over a possible Army coup, latter to point of suggesting Auriol redesignate Rene Mayer.

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POSSIBLE ROK SEIZURE OF US SUPPLY DUMPS

ROK Government has threatened to withdraw ROK forces from UN Command if Armistice is signed (Rhee to Briggs - 18 June)

ROK forces might be used to launch a "drive North for unification" -

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25X1X4

[REDACTED] at 19 May Meeting ROK military officials agreed that 19 divisions (including men in training) would be available for a successful assault scheduled for mid-August

Deterrent to such a move has heretofore been thought to be lack of ammunition, artillery and other supplies

25X1X4

- [REDACTED] ROK Army plans to seize US supply dumps, by force if necessary, to equip itself for such an offensive - plans for which have presumably remained unchanged

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- [REDACTED] seizure could take place any time between now and mid-August.
- ROK forces to replace UN units in the line if UN forces withdraw; under no circumstances would ROK forces withdraw if truce is signed

*(16 ROK Divisions in forward area
12 in line - 4 in rear reserve)*

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SECURITY INFORMATION

THE STRUGGLE FOR POWER IN EGYPT

I. Proclamation of Republic Result of Power Struggle:

- A. Republic proclaimed on 18 June.
- B. Strengthened position of Colonel Nasr,
decline of General Nagib.
- C. Proclamation precipitated by internal
struggle within Revolutionary Command
Council especially tense in ten days
preceding 18 June.

II. Position of Nasr:

- A. Role within Revolutionary Command
Council -- actual leader -- 35-years-
old, strongly nationalistic -- quiet
but dynamic.

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SECURITY INFORMATION

B. Present position as result of cabinet changes -- vice premier and minister of interior.

C. Three close supporters occupy key positions --

Major Salah Salam -- early thirties -- minister of national guidance and Sudanese affairs.

Wing Commander Abdul Baghdadi -- 35-years-old -- minister of war and marine.

Major Hakim Amir -- 33-years-old -- commander in chief of the Egyptian armed forces.

D. Future intentions -- Plans to become premier in two months. Also wants to be named vice-president.

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III. Position of Nagib:

- A. Original position. Selected to lead junior officers in movement against army corruption.
- B. Present position. Premier and president with considerable popular following.
- C. Future role -- uncertain. Figurehead or struggle with Nasr. Widespread dissatisfaction in army over top positions assigned to Nasr supporters may indicate future trouble.

IV. Implications for the Future:

- A. Domestic problems:
 - 1. Interference of young and inexperienced officers will now increase.

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SECURITY INFORMATION

2. Problem of administrative
efficiency likewise increased.

3. Great need for experienced guidance in economic field. No indication that it will be forthcoming.

B. Anglo-Egyptian relations:

1. Salam, young, headstrong officer, appointed minister of Sudanese affairs.

2. Probable increased Egyptian activity in the Sudan.

3. Nasr group represents faction opposed to negotiated settlement of canal question.

C. Prospects for Suez settlement
lessened.

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LIBYA THREATENED WITH DISINTEGRATION

I. Libya's Internal Condition Essentially

Weak:

- A. Libyan unity, established by UN,
threatened by Cyrenaican separatism.
- B. People illiterate, economically
impoverished and politically
immature.
- C. Libya largely dependent on British
financial assistance.
- D. Lacks capable administrators.
- E. Libya has, however, a capable pro-
Western prime minister, Mahmoud
Muntasser.

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II. Libya's Problems:

- A. Its essential weakness naturally generates serious political, economic and administrative problems.
- B. To these are added pressing problems in foreign affairs.
 - 1. Egyptian efforts to influence Libya.
 - 2. Italian interest in a treaty disposing of Italian property.
 - 3. British and French military base agreements.
 - 4. British and French interest in Libya's disintegration.
 - 5. US interest in base agreement.

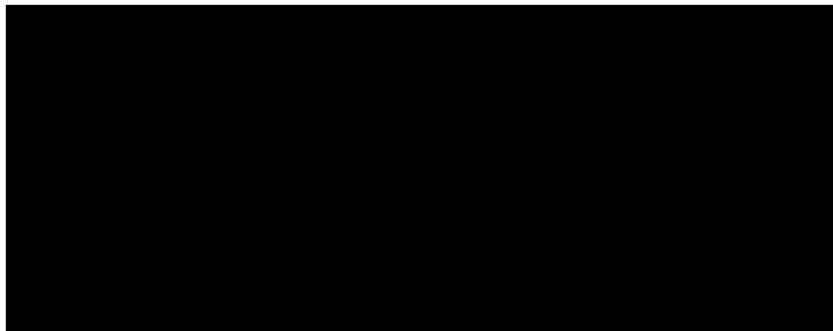
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III. American Stake in Libya:

- A. US has been unable to get an agreement regularizing use of Wheelus Field outside Tripoli.
- B. This is attributable mainly to Libyan concern for sovereignty and money.

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- 1. US wants Libya to continue in existence.
- 2. Conflict between prime minister and king, threatening Libya's existence, reportedly resolved.

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- a. Compromise provides for
elimination of British
influence and substitution
of American base negotiations
for current ones with Britain.
- b. Such a compromise, if made,
not likely to end royal
interference and could gener-
ate Anglo-American friction.

IV. Role of Egypt in This Situation:

- A. Seeking a pre-eminent position in
Libya, Egypt extending its influence
over king and his advisers, sending
teachers to the Libyan schools, and
offering financial assistance to the
country.
- B. More ominous, Cairo reportedly
financing terrorist cells in order to
forestall Libyan parliament approval
of base agreements with West.

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V. Conclusion:

- A. Growing Egyptian influence in Libya draws it away from the West.
- B. This influence, adding to disintegrating tendencies at work in Libya, poses another Arab-Western problem.
- C. These developments serve neither American military and political objectives nor UN's moral and political stake in a free Libya.
- D. Libya likely to fall apart or become imbued with anti-Western sentiments.

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OUTLINE: AFTERMATH OF BERLIN RIOTS

I. General - German situation has broad
ramifications for the Kremlin.

A. There was apparent miscalculation of
the effects of the post-Stalin soft
policy.

II. East Germany

A. Situation is tense, but Soviet mili-
tary has largely restored order.

1. Violence has been confirmed in
7 Major cities and reported in
15 others.

2. 20,000 Soviet troops were de-
ployed in Berlin alone.

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B. GDR regime has:

1. Threatened harsh actions against leaders of riots.
2. Announced palliative economic measures:
 - a) Restoration of private shops to owners.
 - b) Expansion of consumer goods production at expense of heavy industry.
 - c) Reduction of work norms.
 - d) Greater social security for workers.
3. Offered no political concessions.

C. These conciliatory measures slow, but do not terminate socialization.

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1. Labor is still expected to increase production to gain a favorable response to its "just demands."

III. West Germany

A. Popular reactions.

1. The Berlin riots sparked widespread demands for unity.
2. The East German administration and the Soviet Union were reviled for their ruthless suppression of the riots.
3. Propaganda effects of future liberalization measures by the current East German regime have been largely nullified.
4. Adenauer's position conceded to have been strengthened by these events. 12

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B. Government reactions.

1. Government circles predicted that prospects for unity have declined.
2. Adenauer has repeated his demand that unity be based on two main conditions: free elections and freedom of alliance for Germany.
3. The opposition Social Democratic party supported the chancellor's conditions for unity.

C. Attitudes on future unity moves.

1. West German political leaders except Reuter will not treat with present East German leaders.
2. Reuter may now promote all Berlin elections; Ollenhauer wants Allies to seize initiative to call four-power meeting.
3. Adenauer still seeks to avoid a

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SECURITY INFORMATION

four-power meeting prior to the September elections.

4. A Soviet offer to discuss unity would probably be favorably entertained by the populace although their terms for unity will remain high.
5. The Bonn government will be less susceptible to Soviet pressure after the September elections.

IV. Eastern Europe

A. Unrest in Eastern Europe is more vigorous than in recent years.

1. Czechoslovakia and Rumania the scenes of significant expressions of unrest.
2. Elsewhere stirrings exist, but with less focus.
 - a. Attacks on Communist officials
 - b. Anti-communist leaflets.

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- c. Peasant and labor non-cooperation.
- d. Defections to West.
- B. News of East German riots spread throughout Satellites, without accompanying demonstrations.
 - 1. There were expressions of admiration for the Germans in Rumania and Czechoslovakia.
- C. Satellite security forces are well set to counter unrest.
 - 1. Nevertheless, spontaneous outbursts and demonstrations can occur.
- V. Probable Soviet reactions.
 - A. Soviet objectives in initiating the liberalization program were:
 - 1. To alleviate internal conditions in East Germany which were running counter to Soviet interests.

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2. To fan German unity sentiment.
- B. These objectives remain unaltered despite the riots and the setback to the "peace" campaign.
 1. Consequently, a continuation of conciliatory economic tactics is likely.
- C. The naked display of force has reduced Soviet maneuverability with respect to Germany.
 1. Soviet propaganda position weak.
 2. Reshuffle of GDR Government may be restored to.
- D. USSR faces dilemma.
 1. Continued conciliation in the GDR may foster Satellite resistance.
 2. Failure to conciliate will heighten German discontent and weaken the "peace" offensive.

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E. Indications are that the USSR will:

1. Continue liberal economic policies in the GDR, without significant political concessions.
2. Maintain order by force as long as necessary.
3. Make new unity appeals.

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